

# APPENDIX A

Provider Number

FY: 09/30/84

Provider Name

Audit Status Unaudited

Address

		<u>COL A</u> <u>Resid./</u> <u>Inst.</u>	<u>COL B</u> <u>Non-amb./</u> <u>Medical</u>	<u>COL C</u>
	<u>TOTAL</u>			
<u>A.</u>	<u>Alloc of Exp (Excl B&amp;C)</u>			
	<u>1. Resident Days</u>	<u>02461</u>	<u>8325</u>	<u>10786</u>
	<u>2. OPER. EXPENSE COMP</u>			
	<u>a. Administration</u>	-	-	<u>120482</u>
	<u>b. Plant Operation</u>	-	-	<u>45060</u>
	<u>c. Laundry</u>	-	-	<u>15265</u>
	<u>d. Housekeeping</u>	-	-	<u>29090</u>
	<u>e. Oper. Exp. Comp</u> <u>and Per Diem</u>	<u>19.460</u>	<u>19.460</u>	<u>209897</u>
	<u>3. Resident Care Expense</u>			
	<u>a. Dietary</u>	-	-	<u>74861</u>
	<u>b. Other</u>	-	<u>34188</u>	
	<u>c. Nursing</u>	-	-	<u>86018</u>
	<u>d. Res. Care Exp.</u> <u>and Per Diem</u>	<u>18.0852</u>	<u>18.0852</u>	<u>19.5067</u>
	<u>4. PROP. EXP. COMP.</u> <u>AND PER DIEM</u>	<u>8.605</u>	<u>8.605</u>	<u>92812</u>
	<u>5. ROE/UA COMP &amp; PER DIEM</u>	<u>6.604</u>	<u>6.604</u>	<u>71236</u>
<u>B.</u>	<u>DIRECT CARE EXPENSE</u>			
	<u>1. Staffing</u>	<u>.5</u>	<u>1.</u>	-
	<u>2. Total Staffing Required</u>	<u>1230.5</u>	<u>8325</u>	<u>95555</u>
	<u>3. Staffing Percent</u>	<u>12.877%</u>	<u>87.123</u>	<u>100%</u>
	<u>4. Alloc. of Direct Care</u>	<u>39263.97</u>	<u>26542.03</u>	<u>304906</u>
	<u>5. Dir. Care Exp. Per Diem</u>	<u>15.945</u>	<u>31.9090</u>	
<u>C.</u>	<u>ADDITIONAL SERVICES EXPENSE</u>			
	<u>1. Medicaid Patient Days</u>	<u>2461</u>	<u>8275</u>	<u>10736</u>
	<u>2. Add. Ser. (Sch.AM-6)</u>	<u>36780</u>	<u>69380</u>	<u>106160</u>
	<u>3. Add. Ser. Exp. Per Diem</u>	<u>14.951</u>	<u>8.3839</u>	
<u>D.</u>	<u>MEDICAID PER DIEM COST</u>			
	<u>1. Operating Component</u>	<u>19.460</u>	<u>19.460</u>	<u>209897</u>
	<u>2. Resident Care Component</u>	<u>48.985</u>	<u>58.378</u>	<u>606133</u>
	<u>3. Property Cost Component</u>	<u>8.605</u>	<u>8.605</u>	<u>92812</u>
	<u>Subtotal (Schedule BM)</u>	-	-	-
	<u>4. ROE/USE ALLOW Comp.</u>	<u>6.604</u>	<u>6.604</u>	<u>71236</u>
	<u>5. TOTAL PER DIEM COST</u>	<u>83.654</u>	<u>93.047</u>	<u>980078</u>

# APPENDIX A-1

Provider Number

FY: 09/30/84

Provider Name

Audit Status Unaudited

Address

		<u>COL A</u> <u>Resid./</u> <u>Inst.</u>	<u>COL B</u> <u>Non-amb./</u> <u>Medical</u>	<u>COL C</u>
	<u>TOTAL</u>			
<u>A.</u>	<u>Alloc of Exp (Excl B&amp;C)</u>			
	<u>1. Resident Days</u>	<u>2461</u>	<u>8325</u>	<u>10786</u>
	<u>2. OPER. EXPENSE COMP</u>			
	<u>a. Administration</u>	-	-	<u>120482</u>
	<u>b. Plant Operation</u>	-	-	<u>45060</u>
	<u>c. Laundry</u>	-	-	<u>15265</u>
	<u>d. Housekeeping</u>	-	-	<u>29090</u>
	<u>e. Oper. Exp. Comp</u> <u>and Per Diem</u>	<u>19.460</u>	<u>19.460</u>	<u>209897</u>
	<u>3. Resident Care Expense</u>			
	<u>a. Dietary</u>	-	-	<u>74861</u>
	<u>b. Other -</u>	-	-	<u>34188</u>
	<u>c. Nursing</u>	-	-	<u>86018</u>
	<u>d. Res. Care Exp.</u> <u>and Per Diem</u>	<u>18.0852</u>	<u>18.0852</u>	<u>195067</u>
	<u>4. PROP. EXP. COMP.</u> <u>AND PER DIEM</u>	<u>8.605</u>	<u>8.605</u>	<u>92812</u>
	<u>5. ROE/UA COMP &amp; PER DIEM</u>	<u>6.604</u>	<u>6.604</u>	<u>71236</u>
<u>B.</u>	<u>DIRECT CARE EXPENSE</u>			
	<u>1. Staffing</u>	<u>.75</u>	<u>1.</u>	-
	<u>2. Total Staffing Required</u>	<u>1845.75</u>	<u>8325</u>	<u>10,171</u>
	<u>3. Staffing Percent</u>	<u>18.148%</u>	<u>81.852%</u>	<u>100%</u>
	<u>4. Alloc. of Direct Care</u>	<u>55,334.34</u>	<u>249,571.66</u>	<u>304906</u>
	<u>5. Dir. Care Exp. Per Diem</u>	<u>22.484</u>	<u>29.979</u>	
<u>C.</u>	<u>ADDITIONAL SERVICES EXPENSE</u>			
	<u>1. Medicaid Patient Days</u>	<u>2461</u>	<u>8275</u>	<u>10736</u>
	<u>2. Add. Ser. (Sch.AM-6)</u>	<u>36780</u>	<u>69380</u>	<u>106160</u>
	<u>3. Add. Ser. Exp. Per Diem</u>	<u>14.951</u>	<u>8.3839</u>	
<u>D.</u>	<u>MEDICAID PER DIEM COST</u>			
	<u>1. Operating Component</u>	<u>19.460</u>	<u>19.460</u>	<u>209897</u>
	<u>2. Resident Care Component</u>	<u>55.520</u>	<u>56.448</u>	<u>606133</u>
	<u>3. Property Cost Component</u>	<u>8.605</u>	<u>8.605</u>	<u>92812</u>
	<u>Subtotal (Schedule BM)</u>	-	-	-
	<u>4. ROE/USE ALLOW Comp.</u>	<u>6.604</u>	<u>6.604</u>	<u>71236</u>
	<u>5. TOTAL PER DIEM COST</u>	<u>90.189</u>	<u>91.117</u>	<u>980078</u>

## APPENDIX B

### CALCULATION OF THE FLORIDA ICF/MR-DD COST INFLATION INDEX

#### 1. Weights.

Percentage weights for cost components shall be based on cost reports filed for fiscal years ending in 1983. These percentage weights are:

<u>Salaries and Benefits</u>	<u>65.66%</u>
<u>Dietary</u>	<u>4.94%</u>
<u>All Other</u>	<u>29.40%</u>
	<u>100.00%</u>

#### 2. Inflation index for each component

An inflation index for each of these components is developed from the Data Resources, Inc. (DRI) Skilled Nursing Facility Market Basket of Routine Services Costs inflation indices as follows:

<u>COMPONENT</u>	<u>DRI INDEX</u>
<u>Salaries and Benefits with Employee Benefits</u>	<u>Wages and Salaries, combined</u>
<u>Dietary</u>	<u>Food</u>
<u>All Others with other expenses</u>	<u>Fuel and Utilities, combined</u>

The DRI indices that are combined are merged by summing the products of each index times the ratio of the respective DRI budget share to the total share represented by the combined indices.

Example: Calculation of the Salaries and Benefits combined index for the third quarter of 1984 using Health Care Costs, Third Quarter 1983 Series, p. 15:

DRI Wages and Salaries index = 1.043; Budget Share = .602

DRI Employee Benefits index = 1.073; Budget share = .084

Weighted Combination (Salaries and Benefits) =  
 $(1.043 \times (.602 / (.602 + .084))) + (1.073 \times (.084 /$   
 $(.602 + .084))) = 1.047$

3. Quarterly and monthly indices.

A weighted quarterly index is then constructed by summing the products of the weights and quarterly component indices. This quarterly composite index is used to obtain monthly indices called the Florida ICF/MR-DD Cost Inflation Index by averaging pairs of quarterly indices and interpolating between these averages as follows:

<u>Quarter Midpoint Quarter</u>	<u>Index</u>	<u>Average Index</u>	<u>Corresponding Month</u>
<u>1984:1</u>	<u>1.029</u>	<u>1.032</u>	<u>March 31</u>
<u>184:2</u>	<u>1.035</u>	<u>1.042</u>	<u>June 30</u>
<u>1984:3</u>	<u>1.048</u>	<u>1.054</u>	<u>September 30</u>
<u>1984:4</u>	<u>1.059</u>		

$$\begin{aligned}
 \text{April 30 Index} &= (\text{June 30 Index} / \text{March 31 Index})^{1/3} \times (\text{March 31 Index}) \\
 &= (1.042 / 1.032)^{1/3} \times 1.032 \\
 &= 1.035
 \end{aligned}$$

$$\begin{aligned}
 \text{May 30 Index} &= (\text{June 30 Index} / \text{March 31 Index})^{2/3} \times (\text{March 31 Index}) \\
 &= (1.042 / 1.032)^{2/3} \times 1.032 \\
 &= 1.039
 \end{aligned}$$

All other monthly indices can be calculated in a similar fashion.

4. Inflation Factors

The inflation factors used to set both target rates of inflation and prospective payment rates utilize 13 indices in order to recognize full inflation for a 12-month period. This is necessary because each index represents the relative level of costs at the end of the month, so that a complete 12-month inflation trend must start with the index as of the last day of the month prior to the 12-month period.

Example: Calculation of target rate of inflation factor for provider with a June 30 fiscal year end.